

PERS 77-857

DD/A Registry

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77-1483

File *Personnel*

17 MAR 1977

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Chairman, Executive Career Service

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Partial Hiring Freeze Until New Ceilings
Are Established

REFERENCES : (a) Presidential Memorandum for Heads of Executive
Departments and Agencies dtd 1 Mar 77
(b) OMB Bulletin No. 77-7 dtd 3 Mar 77; subject:
Limitation on Hiring and Revision of
Employment Ceilings

1. On the basis of the references, the Agency's ceiling is temporarily limited to the on-duty strength as of 28 February 1977. According to the strength report for 28 February 1977, the Agency was 78 below our previously authorized ceiling [REDACTED] This shortfall is not replaceable during the period of the partial freeze. OMB will work out with the agencies new ceilings for FY 1977 and 1978 by "early April." Once new ceilings are established, the current limitations on hiring will be withdrawn; but agencies will be required to develop target levels for full-time permanent and total employment as of 30 June 1977 and 31 March 1978. These targets will be submitted to OMB no later than 22 April 1977. Once agreed upon, these targets will be treated as employment ceilings against which Agency efforts to reach the new year-end ceilings will be measured.

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2. Under the guidance, 75 percent of the vacancies occurring during the period before the imposition of new ceilings in April may be filled. The following figures show past experience for staff and contract separations (ceiling count personnel only):

	<u>March</u>	<u>April</u>
FY 1975	87	107
FY 1976	77	65
Projection FY 1977 (estimate)	80	80

Application of the guidelines to the projection implies that 60 may enter on duty (EOD) during March 1977 and, should the freeze continue through April, another 60 that month.

3. The OMB guidance gives priority to hiring those applicants to whom EOD commitments were made before 1 March. Should this produce more hiring than allowed under the 75 percent rule, the necessary exemption would be made to allow it. In the case of the Agency, at the present time firm commitments have been made to 52 applicants for March entrance on duty, leaving a reserve of eight for priority needs.

4. Should the partial hiring freeze persist into April, the Office of Personnel anticipates establishing EOD dates as follows:

a. Clerical. Twenty EOD's, with first priority to typists and second priority to stenographers.

b. Professional/Technical. Forty EOD's with priority to:

(1) those with EOD dates set in February for April;

(2) minorities;

(3) those cleared and contacted in February but for whom EOD dates had not been set;

(4) incoming members of the Communications class beginning 11 April 1977.

Based on our present estimate of commitments, 15 will be available for EOD in April. A large number of applicants, however, are in the pipeline, of which many may be cleared in April. Thus, it is possible that enough will be cleared that the Office of Personnel will have to allocate EOD's based on discussions establishing relative need.

5. Should March separations exceed expectation, the April EOD's would be adjusted upward according to the 75 percent rule. Conversely, should they be fewer than expected, the April EOD's would be adjusted downward.

6. As the immediate EOD's will be driven by pipeline considerations, it is to be expected that Directorates and Independent Offices may be misaligned with respect to current ceiling figures. The reallocation of any revised ceilings would have to be done in response to guidance from the Deputy Director of Central Intelligence and the Comptroller.

[REDACTED]
T. W. M. JAMES ✓

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Attachments

THE WHITE HOUSE
WASHINGTON

MAR 1 1977

MEMORANDUM FOR

HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

One of the top priorities of this Administration is to manage the affairs of Government more efficiently. As part of this effort, we must hold Federal employment to the lowest number needed to operate effectively. Toward that end, I am imposing a limitation on the hiring of Federal civilian workers pending the establishment of revised employment ceilings.

I ask that you issue instructions limiting the number of appointments to full-time permanent positions in your agency to not more than 75 percent of the number of vacancies occurring after February 28, 1977. This limitation should be made effective at once and will remain in effect until new employment ceilings for fiscal years 1977 and 1978 have been established.

I am instructing the Office of Management and Budget and the Civil Service Commission to issue guidance on this directive. In addition, I delegate authority to the Director of the Office of Management and Budget to grant specific exceptions in a very limited number of cases, when such action is necessary to preserve the continuity of Government by assuring that essential services are provided and that fundamental needs are met.

You should make every effort to avoid requesting exceptions by making personnel reallocations within your respective agencies to meet needs of highest priority and to assure that vital and basic services are not interrupted. Contracting with firms and institutions outside the Government will not be used to alleviate the effect of this directive.

I am depending on you to give this effort your sincere support and personal attention.



JIMMY CARTER



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 77-7

March 3, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Limitation on hiring and revision of employment ceilings

1. Purpose. This Bulletin provides guidance with respect to the limitation on hiring ordered by the President in his memorandum of March 1, 1977. This guidance is issued pending establishment of new employment ceilings for full-time permanent and total Federal civilian employment for fiscal years 1977 and 1978. It also provides instructions for appeals in a limited number of situations where exceptions to the hiring limitation may be granted.

2. Background. In a recent fireside talk to the American people, President Carter reaffirmed his Administration's commitment to reform and reorganize the Federal Government and to bring its growth under control. As part of this effort, he promised to put a ceiling on the number of Federal employees.

In his memorandum of March 1, the President stated that, preparatory to establishing new employment ceilings, a thorough evaluation of personnel requirements would be made to determine the lowest number needed to operate the Government effectively. In the interim, the President has ordered that a limitation on hiring be imposed so as to maximize this Administration's flexibility in meeting personnel requirements within the new ceilings. This procedure accepts the consensus of the advice submitted by the Cabinet in response to the President's February 11 request for views on alternative employment control systems.

3. Limitation on hiring. Pursuant to the President's memorandum, each agency will establish controls to limit the number of appointments to full-time permanent positions to not more than 75 percent of the number of its vacancies occurring after February 28, 1977 (i.e., agency full-time permanent hiring is restricted to on board strength as of

February 28, 1977, less 25% of vacancies occurring thereafter).

Except for the exemptions listed below, this limitation applies to all new hires of Federal civilian personnel and to transfers of personnel between Executive Branch agencies. The limitation is effective immediately and will remain in effect until new employment ceilings have been established for fiscal years 1977 and 1978.

Where necessary, personnel reallocations should be made within agencies to meet needs of highest priority and to assure that vital and basic services are not interrupted. Contracting with firms and institutions outside the Government will not be used to alleviate the effect of this limitation. Nor will persons be hired on a part-time or temporary basis as a substitute for full-time permanent employees.

4. Standard exemptions. To preserve the continuity of Government, the following exemptions to the limitation on hiring are permitted:

a. at the discretion of the agency head, hiring necessitated by emergency situations involving the safety of human life and protection of property,

b. filling of positions under programs that are presently exempt from employment ceilings,

c. hiring for positions required to be filled under specific provisions explicitly stated in law (This does not include interpretations of laws, e.g., appropriation acts, that do not contain requirements for specific employment levels.),

d. hiring in accordance with firm commitments made in writing by agency personnel officers, prior to the effective date of the limitation,

e. hiring by the U.S. Postal Service,

f. reassignments of personnel within an agency,

g. executive level appointments,

h. appointments to positions of a confidential or policy-making character (established under Schedule "C" or as "noncareer executives" by the Civil Service Commission),

i. shifting of employees from one agency to another because of a transfer of functions resulting from Presidential reorganization action, and

j. hiring of employees who receive no compensation (if otherwise permitted in law).

5. Appeal of hiring limitation. In a very limited number of cases, additional exemptions may be granted if the Office of Management and Budget (OMB) determines that such action is necessary to preserve the continuity of Government by assuring that essential services are provided and that fundamental needs are met. When an agency head believes that circumstances in an agency warrant such an exception, an appeal may be made in writing to the Director of the OMB fully justifying the need for additional personnel and explaining why intra-agency reallocation is not feasible.

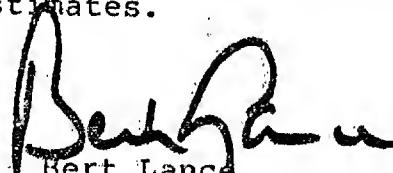
6. Revision of employment ceilings. As is noted above, in his March 1 memorandum, President Carter stated that existing employment ceilings for 1977 and 1978 will be re-evaluated to determine the lowest number needed to operate the Government efficiently and effectively. OMB will undertake this re-evaluation jointly with the agencies. Informal discussions between OMB and the agencies will be initiated as soon as possible. It is anticipated that this review will be completed and that agencies will be advised of their new ceilings by early April. At that time, the Government-wide limitation on hiring will be withdrawn.

To ensure compliance with the new ceilings and to permit some flexibility in seasonal hiring, agencies will develop target levels for full-time permanent and total employment as of June 30, 1977 and March 31, 1978. These targets will be submitted to OMB no later than Friday, April 22, 1977. Once agreed upon, they will be treated as employment ceilings against which agency efforts to reach the new year-end ceilings will be measured.

Any reductions in current employment levels will be achieved through attrition. Thus, some agencies may have to continue to curtail hiring once the Government-wide limitation has been withdrawn in order to comply with new employment ceilings.

7. Effective dates. The instructions in this Bulletin are effective at once and will remain in effect until September 30, 1978.

8. Inquiries. Questions regarding the instructions in this Bulletin will be addressed to the OMB representatives in charge of the agency's budget estimates.



Bert Lance
Director

DD/A Registry
77-1689


21 MAR 1977

MEMORANDUM FOR THE RECORD

SUBJECT: OMB Bulletin No. 77-7, dtd. March 3, 1977, Subject:
Limitations on Hiring and Revision of Employment
Ceilings

1. At the request of the Deputy Director of Personnel, I called the Agency's OMB Examiner, Ms. Nanette Blandin, to ask for an interpretation of the applicability of the subject Bulletin to our military personnel detailed or assigned to the Agency. The inquiry originated with the DCI, who felt that the Bulletin concerned only civilian employment levels and that military personnel therefore were excluded from the ceiling and replacement limitations outlined in the Bulletin.
2. Ms. Blandin advised that, as stated in Bulletin No. 77-7 and until a revised ceiling is established, the Agency ceiling is our on-duty strength of record as of 28 February 1977 and that we are permitted to replace only three out of every four of our positions subsequent to that date. I then inquired whether this also applied to our military positions. Ms. Blandin was not aware that the Agency had any such positions. She stated that since the Agency was a civilian rather than a military organization, she felt that the limitation on hiring applied in total to the Agency. However, when pressed on the question of our military positions and after consultation with her colleagues, she later advised that our military positions of record as of 28 February 1977 could be filled and that future losses of military personnel from such positions could be replaced on a one-for-one basis and were not subject to the three-for-four limitation prescribed in the Bulletin.
3. The foregoing interpretation was passed on to the Deputy Director of Personnel.

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Chief, Administration Group
Office of the Comptroller

cc: /D/Personnel
DD/Personnel/P&C



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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

77-3579/1

Registry
Personnel

DD/A Registry
77-1288

BULLETIN NO. 77-7

March 3, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Limitation on hiring and revision of employment ceilings

1. Purpose. This Bulletin provides guidance with respect to the limitation on hiring ordered by the President in his memorandum of March 1, 1977. This guidance is issued pending establishment of new employment ceilings for full-time permanent and total Federal civilian employment for fiscal years 1977 and 1978. It also provides instructions for appeals in a limited number of situations where exceptions to the hiring limitation may be granted.

2. Background. In a recent fireside talk to the American people, President Carter reaffirmed his Administration's commitment to reform and reorganize the Federal Government and to bring its growth under control. As part of this effort, he promised to put a ceiling on the number of Federal employees.

In his memorandum of March 1, the President stated that, preparatory to establishing new employment ceilings, a thorough evaluation of personnel requirements would be made to determine the lowest number needed to operate the Government effectively. In the interim, the President has ordered that a limitation on hiring be imposed so as to maximize this Administration's flexibility in meeting personnel requirements within the new ceilings. This procedure accepts the consensus of the advice submitted by the Cabinet in response to the President's February 11 request for views on alternative employment control systems.

3. Limitation on hiring. Pursuant to the President's memorandum, each agency will establish controls to limit the number of appointments to full-time permanent positions to not more than 75 percent of the number of its vacancies occurring after February 28, 1977 (i.e., agency full-time permanent hiring is restricted to on board strength as of

February 28, 1977, less 25% of vacancies occurring thereafter).

Except for the exemptions listed below, this limitation applies to all new hires of Federal civilian personnel and to transfers of personnel between Executive Branch agencies. The limitation is effective immediately and will remain in effect until new employment ceilings have been established for fiscal years 1977 and 1978.

Where necessary, personnel reallocations should be made within agencies to meet needs of highest priority and to assure that vital and basic services are not interrupted. Contracting with firms and institutions outside the Government will not be used to alleviate the effect of this limitation. Nor will persons be hired on a part-time or temporary basis as a substitute for full-time permanent employees.

4. Standard exemptions. To preserve the continuity of Government, the following exemptions to the limitation on hiring are permitted:

a. at the discretion of the agency head, hiring necessitated by emergency situations involving the safety of human life and protection of property,

b. filling of positions under programs that are presently exempt from employment ceilings,

c. hiring for positions required to be filled under specific provisions explicitly stated in law (This does not include interpretations of laws, e.g., appropriation acts, that do not contain requirements for specific employment levels.),

d. hiring in accordance with firm commitments made in writing by agency personnel officers, prior to the effective date of the limitation,

e. hiring by the U.S. Postal Service,

f. reassignments of personnel within an agency,

g. executive level appointments,

h. appointments to positions of a confidential or policy-making character (established under Schedule "C" or as "noncareer executives" by the Civil Service Commission),

i. shifting of employees from one agency to another because of a transfer of functions resulting from Presidential reorganization action, and

j. hiring of employees who receive no compensation (if otherwise permitted in law).

5. Appeal of hiring limitation. In a very limited number of cases, additional exemptions may be granted if the Office of Management and Budget (OMB) determines that such action is necessary to preserve the continuity of Government by assuring that essential services are provided and that fundamental needs are met. When an agency head believes that circumstances in an agency warrant such an exception, an appeal may be made in writing to the Director of the OMB fully justifying the need for additional personnel and explaining why intra-agency reallocation is not feasible.

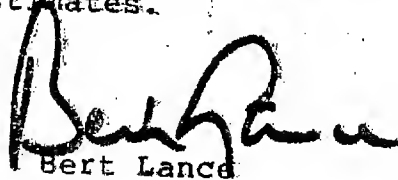
6. Revision of employment ceilings. As is noted above, in his March 1 memorandum, President Carter stated that existing employment ceilings for 1977 and 1978 will be re-evaluated to determine the lowest number needed to operate the Government efficiently and effectively. OMB will undertake this re-evaluation jointly with the agencies. Informal discussions between OMB and the agencies will be initiated as soon as possible. It is anticipated that this review will be completed and that agencies will be advised of their new ceilings by early April. At that time, the Government-wide limitation on hiring will be withdrawn.

To ensure compliance with the new ceilings and to permit some flexibility in seasonal hiring, agencies will develop target levels for full-time permanent and total employment as of June 30, 1977 and March 31, 1978. These targets will be submitted to OMB no later than Friday, April 22, 1977. Once agreed upon, they will be treated as employment ceilings against which agency efforts to reach the new year-end ceilings will be measured.

Any reductions in current employment levels will be achieved through attrition. Thus, some agencies may have to continue to curtail hiring once the Government-wide limitation has been withdrawn in order to comply with new employment ceilings.

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Bert Lance
Director

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9 March 1977

25X9 1. On the basis of President Carter's memorandum of 1 March 1977 instituting a partial freeze on hiring, and the 3 March 1977 guidance from OMB, the Agency's ceiling is temporarily limited to the on-duty strength as of 28 February 1977. According to the strength report for 28 February 1977 the Agency was 78 below our previously authorized ceiling [REDACTED]. This shortfall is not replaceable during the period of the partial freeze. OMB will work out with the agencies new ceilings for FY 77 and 78 by "early April." Once new ceilings are established, the current limitations on hiring will be withdrawn but agencies will be required to develop target levels for full-time permanent and total employment as of 30 June 1977 and 31 March 1978. These targets will be submitted to OMB no later than 22 April 1977. Once agreed upon, these targets will be treated as employment ceilings against which Agency efforts to reach the new year-end ceilings will be measured.

2. Under the guidance, 75 percent of the vacancies occurring during the period before the imposition of new ceilings in April may be filled. The following figures show past experience for staff and contract separations (ceiling count personnel only):

	<u>March</u>	<u>April</u>
FY 75	87	107
FY 76	77	65
Projection FY 77 (Est)	<u>80</u>	<u>80</u>

Application of the guidelines to the projection implies that 60 may enter on duty during March 77 and should the freeze continue through April, another 60 that month.

3. The OMB guidance does provide an exemption to hiring limitations by allowing agencies to honor employment commitments made before 1 March 1977 without regard to the 75% rule. The Office of Personnel has made sixty-five (65) employment commitments of this type. Forty-nine applicants will EOD in March (35 clerical and 14 professional); nine will EOD in April; seven have yet to confirm an exact EOD date.

4. The numbers set out in paragraph 3 above indicate that applicants to whom we have made commitments will just about exhaust our hiring authority for March. If our permanent ceiling is not established in early April, the Director of Personnel will have to institute controls to assure guideline conformity.

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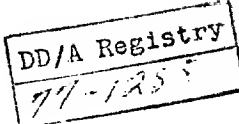


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OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

77-3579/1



BULLETIN NO. 77-7

March 3, 1977

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

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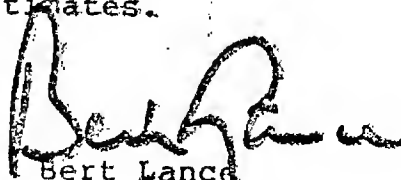
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Bert Lance
Director

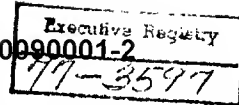
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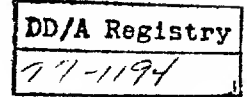
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THE WHITE HOUSE
WASHINGTON



MAR 1 1977

MEMORANDUM FOR

HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES


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I ask that you issue instructions limiting the number of appointments to full-time permanent positions in your agency to not more than 75 percent of the number of vacancies occurring after February 28, 1977. This limitation should be made effective at once and will remain in effect until new employment ceilings for fiscal years 1977 and 1978 have been established.

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I am depending on you to give this effort your sincere support and personal attention.



JIMMY CARTER

MARCH 2, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

MEMORANDUM FOR

HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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JIMMY CARTER

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DDA 77-1193

3 March 1977

We assume that vacancies are used here as the gap between ceiling and on-duty strength and that new vacancies equate to separations. Given these assumptions:

(1) On 26 February 1977 (the latest computer run), the Agency was 92 below ceiling [REDACTED] and the month-end run (which will be available on 7 March) would kick up additional retirements which will add to the number of pre-existing vacancies and, hence, can be filled according to the President's directive.

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(2) Projecting March and April, experience indicates that we would have about 150 separations. Using the 75 percent rule, 113 of these can be filled.

(3) If this interpretation is correct, we would fill 113 new vacancies plus the 92 pre-existing vacancies, or 205, during March and April, while losing 150 separations. Retirements between 26 and 28 February 1977 would count as fully replaceable vacancies under these guidelines.

(4) After preliminary discussions with SPD, we believe that there is no problem in terms of honoring our commitments to applicants in process, based upon analysis of expected flows through June. SPD is reviewing this and should we learn otherwise we will inform you.

(5) While it appears that the 75 percent restriction should not impact on the Agency in March through April (and possibly May if still imposed), it will hurt if it continues into June 1977 when we normally experience heavy EOD's. Also, the current (and also the projected) vacancies are not evenly distributed among the Directorates. As of the 26 February 1977 computer run, the status of on-duty strength versus ceiling is as follows:

<u>Directorate</u>	<u>Ceiling</u>	<u>On-Duty Adjusted</u>	<u>Status</u>
DCI	[REDACTED]	[REDACTED]	[REDACTED]
DDA			
DDO			
DDI			
DDS&T			
CTP			
TOTAL			

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(6) It is important to keep in mind the fact that June and July are normally build-up months, with EOD's exceeding separations by 50 a month. Thus, should we be 50 or even 100 below ceiling at the end of May, we would expect to be at or above ceiling by the end of July. This becomes an important consideration should an additional cut be imposed on the Agency after the Administration review. Such a cut would probably have to be accommodated by the offering of discontinued service retirements in the Fall, at the end of the Fiscal Year.

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